

Application — When the member submits the “Disability Retirement Election Application” (PERS-BSD-369-D), the following sections must be completed:

Sections 1 - 8 and 10 & 11 — Completed by Member or someone on member’s behalf.

Section 2 — Member does *not* need to designate a retirement date to begin the process *unless* requesting service pending disability or industrial disability retirement.

Section 5 — Member *must* select an option, *and to make an informed decision, they must first request an estimate.*

Section 11 — Member’s signature *must* be witnessed by a CalPERS representative *or* notarized.

Determination — The disability decision is based upon competent medical opinion; and all medical and vocational information provided by the member, employer and workers’ compensation carrier is considered in the determination. The determination is based on actual/present disability, not prospective inability to perform the job duties. In the event the medical information supplied to CalPERS is insufficient to make a determination, CalPERS may arrange an Independent Medical Examination (IME).

NOTE: Generally, the disability retirement determination can be made within three to six months after CalPERS receives all required information for a “complete package”. However, if additional information is needed, this will extend the review process.

If the member is found to be disabled due to a mental disorder, competency will be decided based on medical opinion. Conservatorship or a valid Power of Attorney may be required before benefits are payable. For Power of Attorney instructions, please refer to the booklet “Power of Attorney” (PERS-PUB-30).

NOTE: If the member is currently enrolled in the CalPERS health plan and becomes employed in another job pending the determination of disability retirement benefits, eligibility for CalPERS health benefits may be affected after retirement.

Cancellation of Application — If a member desires to cancel the disability retirement application, other than an employer originated application, the request **MUST BE** made in writing to be valid. The member’s signature is required. A cancellation is binding; the member must thereafter re-apply whenever he/she is ready to retire. If the disability retirement has been approved, please refer to the “Member Alternatives Following Disability Determination” section for more information.

Employer Originated Application

When an employer is submitting the “Disability Retirement Election Application” (PERS-BSD-369-D) on the member’s behalf, the following sections must be completed:

Section 1 Member Information

Section 2 Retirement Information — Retirement date is not required

Section 3 Workers’ Compensation Information

Section 4 Disability Information

Section 9 Employer Certification

Section 12 Employer Originated Application — Signature must be made by the Duly Authorized Official on file with CalPERS or process will be delayed.

The employer should *not* complete Section 5 (Option Election), Section 6 (Retired Death Benefit), Section 7 (Survivor Continuance), Section 10 (Tax Withholding Election), and Section 11 (Member Signature and Notary). A “Supplemental Retirement Information” form will be sent to the member for additional information once the disability is approved by CalPERS.

What to Submit with Application —

The following documentation should be submitted with the application the employer files on behalf of the member:

- Job Duty Statement (preferably Job Analysis)
- Physical Requirements of Position/Occupational Title form
- Personnel Records
- Adverse Actions
- SPB Decisions
- Investigation Reports
- Medical information to support application (e.g., Fitness for Duty reports, Doctor notes, etc.)

NOTE: Only an employer can cancel an *Employer Originated Application*.

Temporary Disability Allowance (TDA) —

An employer is required to pay the employee a Temporary Disability Allowance (TDA), provided **all** of the following conditions have been met:

- The employee has exhausted his/her leave credits; and
- The employee is placed on involuntary leave status; and
- The employer is applying for disability or industrial disability retirement on the employee's behalf.

To determine the amount of the TDA, submit a "Disability Estimate Request" (PERS-MSD-1). The request should be completed in full and faxed or mailed to the CalPERS Member Services Division. The request form must include the last day on pay status. The recommended retirement date to use on the application is the first of the month the application will be sent to CalPERS. Please refer to the sample form on page 219.

The "Retirement Allowance Estimate Request" (PERS-MSD-470) may also be used. This form is in "A Guide to Completing Your CalPERS Disability Retirement Election Application" (PERS-PUB-35).

If this form is used, it must include the following:

- Indicate on the side of the estimate form "Employer Originated Application";
- For a retirement date, use the first of the month the application will be sent to CalPERS; and
- On a cover letter, specify the estimate is to be sent to the employer and provide the mailing address.

If the disability retirement is approved, CalPERS will reimburse the employer the amount of TDA that was paid to the member from the retroactive portion of the retirement allowance. If the amount of TDA exceeds the retroactive amount, the employer will be reimbursed from the member's monthly retirement allowance at the rate of 10% until the reimbursement is satisfied. If the disability retirement is denied, the employer is responsible for paying the member the difference between the TDA and the employee's salary. The member also receives leave credits for the time he/she was on TDA.

For additional information regarding TDA, please refer to DPA's Personnel Management Liaison (PML) memo 2002-005.

Subrogation

Under the law, if someone other than the employer caused an injury that results in disability retirement benefits being paid to the member, CalPERS has the right to recover up to one-half of the total retirement benefit costs from the responsible party. This is known as the "right of subrogation."

If the member pursues a claim against any person for the same injuries that also entitles the member to a disability retirement from CalPERS (other than a Workers' Compensation claim or an uninsured motorist claim), the member must inform CalPERS. This is true even if the claim has not yet resulted in a court action. CalPERS has the right to participate in the claim through filing its own action against the responsible party, intervening in the claim or filing a lien against any judgment recovered.

If such a claim is settled without notifying CalPERS, we may also be entitled to file a lawsuit against the member for recovery under our subrogation rights.

Member Alternatives Following the Determination

When the member has been found to be “disabled,” the member will be notified of the finding and advised that he/she must be retired immediately.

The member cannot cancel the application for disability retirement after disability has been determined. However:

1. If the member is also eligible and applies to retire for service (prior to the effective date of retirement for disability or within 30 days of notification of disability approval), the member may be retired for service.
2. The member may also elect to separate from employment and accept a refund of accumulated contributions in lieu of all future rights and benefits under this System.
3. The member may appeal the approval determination directly to CalPERS.

When the member has been found to be “not disabled” and the application is denied, the member will be notified of the finding and provided the opportunity to appeal the decision.

NOTE: All appeals must be submitted in writing directly to CalPERS within 30 days from the date of the notification letter.

CalPERS is subject to the Administrative Procedures Act (APA). So, in case of an appeal to the determination, the dispute must be heard by an administrative law judge of the State Office of Administrative Hearings.

The APA is set forth in the Government Code and the statutes describe the requirements and methods for conducting an administrative hearing.

Retirement Effective Date

If the application was received within 9 months after discontinuance of employment, the effective date of disability retirement will be the day following the last day of payroll rather than the first of the month in which the application was received.

In the case of an application for retirement for disability filed with the Board more than nine months after discontinuance of the member's state service, the effective date of the application shall be determined in accordance with G.C. section 20160.

If a member has been approved for disability retirement, the law states the member must be retired immediately. The member may remain on pay status to use sick leave and/or compensating time off for overtime to which the member is entitled. The determination of what sick leave and/or compensating time off that a person is entitled to is a matter that must be resolved by each employer.

DISABILITY ESTIMATE REQUEST FORM PERS-MSD-1


CalPERS
Member Services Division
P.O. Box 942717
Sacramento, CA 94229-2717
FAX (916) 795-7878

DISABILITY ESTIMATE REQUEST

(THIS FORM IS TO BE USED BY THE STATE EMPLOYER ONLY WHEN THE EMPLOYER WILL BE GENERATING A DISABILITY APPLICATION ON BEHALF OF THE MEMBER)

THIS FORM IS NOT AN APPLICATION FOR RETIREMENT.

Please complete this form and fax or mail to the above address. The disability retirement estimate will be faxed or mailed to the address you indicate on this form. This estimate cannot be processed unless all information on this form is complete.

1. Employee Name (First) (MI) (Last)			2. Social Security Number		
3. Employer Mailing Address			4. Member Birth Date Month / Day / Year / /		
City	State	Zip Code	5. Telephone Numbers Work() Fax()		
6. Employer					

7. Last day on paid status Month / Day / Year / /	8. Type of Estimate <input type="checkbox"/> Disability Retirement <input type="checkbox"/> Industrial Disability Retirement	
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9. Beneficiary Birth Date (if known)
Month / Day / Year
/ /

Relationship to member: _____

A. Has the member been married or in a registered domestic partnership for at least one year prior to the retirement date?
☐ Yes ☐ No

B. Does the member have any unmarried children who are under age 18 or disabled?
☐ Yes ☐ No

PERS-MSD-1- (Rev. 5/2008)

General Disability Calculation

You can get an idea of what the member's monthly unmodified disability retirement allowance will be. To do so, you need to know three things:

- How many years of service credit the member has;
- The benefit formula (1.8% for State First-Tier or 1.125% for State Second-Tier); and
- The final compensation — based on the highest consecutive 12 or 36 months of payrate, **not earnings**, (usually the last 12 or 36 months of employment). See *page 182 for information about whether to use 12-month or 36-month compensation.*

Find the benefit factor and years of service credit in the following groupings. Then follow the instructions using the worksheet at the top of the next column.

STATE FIRST-TIER

A State First-Tier member must have **at least five years** of service credit to be eligible for disability retirement.

If the member has between **five and 10 years, OR 18½ or more years** of service credit, multiply the years of service by **1.8%** to determine the percentage of final compensation.

If the member has between **10 and 18½ years** of service credit, **add** to that figure the number of years until the member will be age 60 and multiply the **TOTAL** by **1.8%** to determine the percentage of final compensation. (The maximum percentage allowable is 33 ⅓%.)

THEN

Multiply the percentage of final compensation by the highest consecutive **12-month or 36-month** average monthly salary to find the Unmodified Allowance. (If the member is eligible for service retirement, the member will receive the higher allowance payable, service or disability.)

Figuring the Disability Allowance Worksheet

Years of Service	Benefit Factor	% of Final Compensation
_____	X _____ %	= _____ %
% of Final Compensation	Final Compensation	Retirement Allowance
_____ %	X \$ _____	= \$ _____

STATE SECOND-TIER

A State Second-Tier member must have **at least ten years** of service credit to be eligible for disability retirement.

If the member has between **10 and 29.629½ years** of service credit, **add** to that figure the number of years until the member will be age 65 and multiply the **TOTAL** by **1.125%** to determine the percentage of final compensation. (The maximum percentage allowable is 33 ⅓%.)

If the member has **29.629** years or more of service credit, multiply the years of service by **1.125%** to determine the percentage of final compensation.

THEN

Multiply the percentage of final compensation by the highest consecutive **12-month or 36-month** average monthly salary to find the Unmodified Allowance. (If the member is eligible for service retirement, the member will receive the higher allowance payable, service or disability.)

INSTRUCTIONS FOR COMPLETION — PERS-BSD-194

Upon approval of an application for disability retirement by the System, the Benefit Services Division will require payroll information to begin the disability retirement payments.

The Report of Separation and Advance Payroll Information (PERS-BSD-194) must be completed by the employer.

The following is to be completed by the member:

Section 1

1. Employing agency name
2. Member's name
3. Social Security number
4. Retirement date requested by the applicant

The following is to be completed by the employer:

Section 2

1. Separation date
2. Termination date
3. Last day on pay status
4. Beginning and ending dates and type of leave of absence with compensation

Section 3

If the member has a sick leave balance that was not used at the time of separation from employment, report the total number of days of unused sick leave.

Section 4

Authorized officer (Accounting/Payroll) signs name, title, date, and telephone number. Immediately forward the original copy of the Form PERS-BSD-194 to the Benefit Services Division. Non-receipt of the form by the Benefit Services Division on a timely basis may result in a delayed warrant to the recipient.

NOTE: If a member retires on the day following the last day on the payroll, then the date of separation and the last day on the payroll will be the same date.

If a member goes on leave of absence or is absent without leave, etc., at the time of retirement, then the date of separation and the last day on the payroll may not be the same.

NOTE:

1. Do not combine contributions for maintenance and Special Compensation with normal contributions. Use the "other" column.
2. Do not deduct retirement contributions from lump sum vacation payments.
3. Do not delay submission of this form awaiting final payroll data. Estimate the last period's payroll information and label this line "Estimate."

EMPLOYMENT OF A RETIREE

NOTE: To avoid unlawful employment situations, it is imperative the employers ensure compliance with the retirement laws defined below. These laws may apply to both service and disability retirees. Failure to comply can result in administrative penalties to the member and employer, and mandatory reinstatement from retirement.

CIVIL SERVICE ELIGIBILITY

In addition to the retirement law restrictions, all retired annuitant appointments by state agencies must be based on Civil Service Act eligibility: A retired state civil service employee may be appointed as a retired annuitant to a position that is either (a) in the class in which the person had permanent or probationary status or a Career Executive Assignment (CEA) appointment at the time of retirement; or (b) in another class to which the person could have been permanently transferred, reinstated, or demoted at the time of retirement. A CalPERS retiree who is not retired from civil service, i.e. retired from non-state contracting agencies and retired state employees exempt from civil service, can only be appointed as a retired annuitant if he/she qualifies for appointment under other civil service provisions such as emergency appointment, TAU or eligibility on a civil service employment list for the position.

For more information, please see Personnel Management Policy and Procedures manual page 360.1 – 360.4

GENERAL RULE

G.C. section 21220 provides that a person retired on a service or disability retirement, receiving a monthly allowance from CalPERS, may not be employed, unless otherwise noted, in any capacity by a CalPERS employer (an employer who contracts with CalPERS for retirement benefits unless the employment qualifies for service credit in the University of California Retirement Plan, the California State Teachers' Retirement System or any of the 1937 Act County Retirement Systems) without first applying for reinstatement from retirement.

Any person employed in violation of this Section shall be reinstated to CalPERS membership as of the date the unlawful employment began.

Upon mandatory reinstatement the person will be required to:

1. Reimburse CalPERS for any retirement allowance received during the period of employment in violation.
2. Pay CalPERS employee contributions that should have been paid during the period of unlawful employment, plus interest.
3. May be required to pay reimbursement of CalPERS' administrative expenses incurred in handling the situation.

The employer who employs a retired person in violation of the law will be required to:

1. Pay CalPERS employer contributions, which should have been paid during the period of unlawful employment, plus interest.
2. May be required to pay reimbursement of CalPERS' administrative expenses incurred in handling the situation.

EXCEPTIONS TO GENERAL RULE — TEMPORARY EMPLOYMENT

Under the following provisions, reinstatement from retirement is not required (except as noted), and no employee or employer contributions should be made to CalPERS. It is equally the responsibility of the employer **and** the retiree to monitor the temporary employment as to whether reinstatement is required.

ELIGIBILITY TO WORK FOR A CALPERS EMPLOYER AS A TEMPORARY EMPLOYEE (RETIRED ANNUITANT)

Employment with a CalPERS employer is not allowed if the retiree is under “normal retirement age” unless both of the following conditions are met (G.C. section 21220.5):

1. There was no agreement to return to work as a retiree between the member and the employer before the member retired, and
2. There is a “bona fide” break in service of at least 60 days between the member’s retirement date and the date the retiree’s employment will begin.

“Normal retirement age” is the age named in the member’s retirement benefit formula. For example, the “normal retirement age” for a 2% @ 55 benefit formula is 55 and is age 65 for the 1.25% @ 65 formula. If the member has more than one benefit formula, then the “normal retirement age” is determined by the highest “normal retirement age” benefit formula. If the retiree is at or above ‘normal retirement age’ as noted above, the section 21220.5 restrictions do not apply and he/she can be appointed the day after his or her retirement date.

G.C. section 21220.5 was added to the retirement law in 2004 to comply with IRS tax regulations prohibiting in-service distributions of pension benefits. The only exception to the Section 21220.5 qualification restrictions is for employment during emergencies as defined in G.C. section 8558.

EXAMPLE:

Joe Smith is a state miscellaneous member who retired on June 30, 2004 at age 52 with 20 years of service. Because Mr. Smith has not reached his normal retirement age (age 55), he must have a 60 day separation from service prior to returning to work with a CalPERS covered employer. However, the employer cannot have a predetermined agreement with Mr. Smith before his retirement to return to work.

UNEMPLOYMENT BENEFITS AND RETIRED ANNUITANT EMPLOYMENT

Effective January 1, 2005 G.C. section 21224 was amended to prohibit a retired member from returning to retired annuitant employment with a public agency or state agency if during the prior 12 month period the retired member received unemployment insurance compensation based on his/her prior retired annuitant employment with the same employer. Effective January 1, 2007 the amendment was added to the G.C. sections 21227 and 21229.

The intent of these amendments is to prevent retired CalPERS members from collecting three public stipends: a retirement allowance, salary for work up to 960 hours per fiscal year, and unemployment insurance compensation after the 960 hour limit had been reached.

In 2005, State Agencies in conjunction with the Department of Personnel Administration (DPA) and the Employment Development Department (EDD) developed the following two forms for retired annuitants working for state agencies only to complete.

Retired Annuitant Self Certification Form

DPA Form 715, a Retired Annuitant Self-Certification form, can be downloaded off of the Department Personnel Administrations Web site at www.dpa.ca.gov or see page 227.

Authorization for Release of Unemployment Insurance Records for Retired Annuitants

EDD Form DE 1181 can be downloaded off of the Employment Development Departments Web site at www.edd.ca.gov or see page 228.

California State Universities (CSU) are not required to use these forms when employing retired members; however, they may require retired members to provide a current Unemployment Insurance Benefit (UIB) print out indicating whether or not they have collected Unemployment Insurance benefits within the previous 12 months.

CalPERS' auditors have incorporated this requirement into the random auditing criteria for employers. A violation of this provision will not result in automatic reinstatement from retirement for the retired person.

Questions regarding employment of a retired member should be directed to the Benefits Services Division (BNSD) through the Employer Contact Center at **888 CalPERS** (or **888-225-7377**).

Temporary Employment –

NOTE:

No employee or employer contributions are made to CalPERS for retired annuitant employment. Refer to the PIMS manual or CSUC manual for information on to properly code a retired annuitant appointment.

1. State Agency*

An otherwise eligible (See CIVIL SERVICE ELIGIBILITY) retired state employee may be employed in a temporary appointment to a position not to exceed 960 hours in any fiscal year for all such employers; either (1) during an emergency to prevent stoppage of public business or (2) because the retired employee has skills needed in performing work of limited duration. The rate of pay for retirees employed under this Section may not be less than the minimum, nor exceed that paid by the employer to other employees performing comparable duties. (G.C. section 21224)

NOTE: This information applies ONLY to temporary employment situations. If the retired member is found to be employed in a permanent full-time or part-time position regardless of the number of hours worked, the retired member will be subject to mandatory reinstatement from retirement into CalPERS membership retroactive to the date the unlawful employment began.

2. Juror or Election Officer*

Any retired person may serve as a juror or election officer and receive fees for such service.
(G.C. section 21221(c)
Not subject to 960 hour limit).

3. School Crossing Guards*

Any retired person may be employed as a school crossing guard.
(G.C. section 21221(b)
Not subject to 960 hour limit).

4. Temporary and Substitute Employment*

A retired former employee may be employed to prepare for potential or actual litigation or to testify in trial proceedings or at a hearing and be paid per diem and necessary travel expenses not to exceed the rate paid other persons for similar services. The per diem paid must be reduced by the daily equivalent of the retiree's retirement annuity. Contact the CalPERS' Benefit Services Division (BNSD) to obtain the amount of the retiree's monthly annuity benefit. For a retired State employee, this employment must be approved by the Department of Personnel Administration (DPA).
(G.C. section 21223)

5. California State University

**California State University (CSU)
Academic Retirees***

A retired person may be temporarily employed, in any fiscal year, as a member of the academic staff in a CalPERS covered position of a California State University (CSU) not to exceed 960 hours for all employers or 50 percent of the hours the member was employed during the last fiscal year of service prior to retirement **whichever is less**;
(G.C. section 21227)

**California State University (CSU)
Non-academic Retirees***

A retired person may be employed upon temporary appointment by a school employer or by the Trustees of the California State University either (1) during an emergency to prevent stoppage of public business or (2) because the retired employee has skills needed in performing specialized work of limited duration if that service does not exceed a total of 960 hours for all such employers in any fiscal year. The rate of pay for retirees employed under this section may not be less than the minimum nor exceed that paid by the employer to other employees performing comparable duties (G.C. section 21229).

6. Appointive Positions*

- a) The Governor, director of a state department, Speaker of the Assembly, the President pro Tempore of the Senate or the governing board of a contracting agency, may appoint any retired member to serve as a member of any salaried or non-salaried board, commission or advisory committee (G.C. section 21221(a)).
- b) The governing body of a contracting agency may appoint a retired person as an appointive member of the governing body; compensation for that office cannot exceed \$100.00 per month (G.C. section 21221(e)).
- c) The Legislature, or either house, or a legislative committee may appoint any retired person to a position deemed by the appointing power to be temporary in nature.
(G.C. section 21221(f))

7. Elective Positions*

Any retired person may serve as an elective officer without reinstatement from retirement; **however**, any part of the retirement allowance based on previous service in that same elected office shall be suspended during incumbency in such office.
(G.C. sections 21221(d) and 21222)

EMPLOYMENT BY A NON-CALPERS EMPLOYER*

A retired person receiving a monthly service allowance from this System may be employed by any employer not participating with this System without being reinstated from retirement. A retired person receiving a disability retirement allowance (except in the case of Industrial Disability Retirement) may be subject to reduction during such employment, depending upon the salary of the new position, until the retired person attains the minimum age for voluntary service retirement applicable to the member's classification. *It will be the responsibility of the retiree to report to CalPERS any salary earned with a non-CalPERS employer.*

EMPLOYMENT OF A RETIREE AS AN "INDEPENDENT CONTRACTOR"*

Many "contracts" or "employment agreements" entered into by retirees and employers and purported to give the retiree the status of an "independent contractor" are, upon review by CalPERS, found not to qualify the retiree as an independent contractor under California contract law.

If CalPERS determines the contract is not within the guidelines for an "independent contractor" after the retiree has entered into employment, the consequence of such employment is that the retiree is "illegally hired" and, therefore, subject to mandatory reinstatement from retirement. Such reinstatement is retroactive to the start date of the illegal employment and the retiree is liable for reimbursement of all retirement allowance payments received during the period of illegal employment. In addition, administrative penalties may be assessed to the employer.

Therefore, to ensure compliance with the retirement law, the employer or retired member must submit the contract or employment agreement prior to the retiree accepting the employment.

To request approval for employment of a retiree as an independent contractor, please submit your request including the retired member's name and social security number with a copy of the proposed contract or employment agreement to:

CalPERS
Benefit Services Division
PO Box 942711
Sacramento, CA 94229-2711

Direct specific questions about employment of a retiree as an independent contractor or consultant to the Benefit Services Division through the Employer Contact Center at **888 CalPERS** (or 888-225-7377) or by letter to the address above.

EMPLOYMENT THROUGH A THIRD PARTY EMPLOYER (ALL RETIREES)

Before employing a retired member through a third party employer or temporary employment agency, please contact CalPERS. If the retired member will be an employee of the CalPERS employer under common-law principles, the retired member's employment could be subject to CalPERS restrictions, even if a third party employer pays the retired member's wage.

Direct specific questions about employment of a retiree through a third party employer or temporary employment agency to the Benefit Services Division (BNSD) at **888 CalPERS** (or **888-225-7377**) or by letter.

***NOTE:** For Temporary employment not to exceed 960 hours, see Temporary Employment section under Exceptions to General Rule on page 224.

For specific questions concerning employment of a CalPERS' retiree please review the publication "Employment After Retirement" (PERS-PUB-33) available on the CalPERS Web site at www.calpers.ca.gov, or contact CalPERS at 888 CalPERS (or 888-225-7377).

EMPLOYMENT OF A DISABILITY RETIREE*

The Board may approve CalPERS reemployment without reinstatement for a member who is receiving a disability retirement allowance and who is offered a specific job in a position that is significantly different from which the member retired. Such employment cannot begin prior to the Board's approval (G.C. section 21228).

To request reemployment approval, the retiree must submit:

1. The retired person needs to complete and sign Section 1 of the ***Request to Work While Receiving Disability/Industrial Disability Retirement Benefits*** form provided in the "Employment After Retirement" (PERS-PUB-33) booklet;
2. The prospective employer completes Section 2 of the request form, stating their "intent to hire" the retired person upon CalPERS approval. Attach a copy of the current job duty statement for the position which the retired person is requesting to work.
3. Provide a medical report from the retired person's treating physician, who specializes in the member's disabling condition, stating that he/she has recently examined the retired person, reviewed the job duty statement, and finds the retired person is able to perform all tasks without restriction or limitation. CalPERS may require an independent medical evaluation to supplement the doctor's report. If so, CalPERS will select the physician, schedule the appointment, and pay for the examination.

***NOTE:** No employee or employer contributions are made to CalPERS for these types of employment.

Upon approval of the reemployment, the retiree will be required to report monthly earnings to CalPERS, as the disability retirement pension is subject to an earnings limit for as long as the employment continues.

RETIRED ANNUITANT SELF CERTIFICATION FORM

(To be completed by each retired annuitant applying for employment
or currently employed with State government.)

Retired Annuitant Provisions

Per Government Code Section 21224, a retired annuitant cannot return to State employment if he/she has received unemployment insurance compensation from any employer that provided retirement benefits under the Public Employees Retirement System (PERS) during the 12-month period prior to an appointment as a retired annuitant.

- If you have received unemployment insurance payments in the last 12 months, based on prior employment as a retired annuitant with the State of California or any other employer that provided you retirement benefits under PERS, you are *not* eligible to return to State service at this time.
- If you are currently working as a retired annuitant for a State department and it is determined that you *did* receive unemployment insurance benefits, your department will terminate your employment at the end of the current pay period. You will *not* be eligible to return to work as a retired annuitant for 12 months after your termination.

To assist in determining your eligibility to work as a retired annuitant, please answer the following self certification questions. You will also be asked by your employing department to complete an Employment Development Department (EDD) Form DE 1181, Authorization for Release of Unemployment Insurance Records for Retired Annuitants. This form will be submitted to EDD for verification of any unemployment insurance claims filed by you.

Retired Annuitant Name:	Social Security Number:
In the last 12 months have you received any unemployment insurance payments based on your previous employment as a retired annuitant with a State department?	Yes <input type="checkbox"/> No <input type="checkbox"/>
In the last 12 months have you received any unemployment insurance payments from an employer that provided you retirement benefits under PERS based on prior employment as a retired annuitant?	Yes <input type="checkbox"/> No <input type="checkbox"/>
<p>I certify under penalty of perjury that the information I have entered on this form is true and complete to the best of my knowledge.</p> <div style="display: flex; justify-content: space-around; margin-top: 20px;"> <div style="text-align: center;"> <hr style="width: 200px; border: 0; border-top: 1px solid black;"/> <p>Signature</p> </div> <div style="text-align: center;"> <hr style="width: 100px; border: 0; border-top: 1px solid black;"/> <p>Date</p> </div> </div>	

PRIVACY NOTICE: The Information Practices Act of 1977 (Civil Code Section 1798.17) and the Privacy Act (Public Law 93-579) require that this notice be provided when collecting personal information from individuals. Information on this form will be used by State agencies for the purposes of identification and document processing. It is mandatory to furnish all information requested on this form.

DPA 715 (NEW 02/05)



AUTHORIZATION FOR RELEASE OF UNEMPLOYMENT INSURANCE RECORDS FOR RETIRED ANNUITANT

**To: Employment Development Department
Orange County Primary Call Center
P.O. Box 5007
Buena Park, CA 90622**

*Fold
Here*

I, _____, authorize the Employment Development
Department (EDD) to release my Unemployment Insurance (UI) information for purposes related to
Government Code section 21224 [Retired Annuitant (RA) return to work prohibition for a CalPERS
employer if UI benefits collected within the last 12 months] to:

TO:

NAME AND TITLE	Appointing entity must include a stamped self-addressed return envelope with each request.
STATE AGENCY	
MAILING ADDRESS	
CITY, STATE, AND ZIP CODE	

*Fold
Here*

Date: _____ Signature: _____
MONTH/DAY/YEAR RETIRED ANNUITANT SIGNATURE

(This Authorization shall remain in effect for 12 months from the date signed below.) Social Security Number: _____
Date of Appointment: _____

Failure to sign this consent does not preclude the appointing entity authority from obtaining this information from the EDD after you are hired, pursuant to California Unemployment Insurance Code section 322.

☐ RA Declined to Sign
Consent Authorization _____
APPOINTING AGENCY REPRESENTATIVE SIGNATURE PRINT NAME

TO BE COMPLETED BY EDD

Were UI benefits paid to the above individual in the last 12 months?

☐ YES ☐ NO If yes, date last paid: _____ For week ending: _____

For the implementation year of 2005, the EDD will accept repayment of benefits from RAs affected by this law.

If yes, base period employer names:

S
T
A
M
P
DATE RECEIVED BY EDD

CONFIDENTIALITY NOTICE: This notice is for the sole use of the intended recipients. It contains confidential or sensitive information. Under Penal Code 502 and Civil Code 1798.53, any unauthorized review, use, disclosure, or distribution of the content of this document is prohibited and subject to criminal penalties/fines. If you are not the intended recipient, please contact the EDD.

REINSTATEMENT FROM RETIREMENT

If you wish to hire a retired person in a permanent position, whether full-time or part-time, the retired person must reinstate from service retirement into active CalPERS membership. A person on service retirement does not need approval prior to beginning active employment. However, to avoid an overpayment of retirement benefits and prevent payroll reporting problems for the employer, it is important to submit the Reinstatement From Service Retirement Application (PERS-BSD-145) timely.

A retired person on a disability or industrial disability retirement must be approved for reinstatement prior to being hired as a regular employee.

The publication "Reinstatement From Retirement" (PERS-PUB-37) includes the reinstatement applications as well as additional information about the reinstatement process. This publication is available on the CalPERS Web site at www.calpers.ca.gov or by calling CalPERS at 888 CalPERS (or 888-225-7377).

IMPORTANT NOTE: Please be aware that reinstatement to an employer other than the one the member retired from could change the benefits the member was previously entitled to receive. The member should contact the employer's personnel office and clarify any questions they have about health benefits, vision care, dental care and death benefits that they offer their employees and retirees.

Reinstatement from retirement affects the cost-of-living adjustment (COLA) benefits the member will be entitled to receive in the future. COLA is determined based upon the year in which the member retires. Reinstatement will change the base year of the future retirement, and will, therefore, also change the date the member will be entitled to begin receiving future COLAs. To be retired again following the member's reinstatement, they must submit a new application for retirement. The member should contact their employer's personnel office or CalPERS prior to retirement to obtain the correct application document.

SERVICE RETIREMENT

The Board, pursuant to the provisions of G.C. section 21196, may reinstate a person who has been retired under this System for service upon:

1. CalPERS' receipt of the completed **Reinstatement From Service Retirement Application** (PERS-BSD-145) form. This form is enclosed in the "Reinstatement From Retirement" (PERS-PUB-37) booklet.
2. The member is responsible for completing Sections 1 and 3. Section 2 must be completed by a Human Resource representative of the employer offering the permanent position.

A person who has been retired under this System for service, following an involuntary termination of the person's employment, and who is subsequently reinstated to such employment by action on or after October 1, 1965, pursuant to an administrative or judicial proceeding, shall be returned to employment status for the period specified by the judgment. The requirements of Section 21196 shall not apply in this case (G.C. section 21198).

A person who has been retired under this System for service may be reinstated from retirement pursuant to this article without regard to the requirements of G.C. section 21196, upon the retiree's application to the Board, if upon reinstatement, the retiree will be appointed by the Governor to any state office or employment (G.C. section 21199).

When a person is reinstated from retirement, the retirement allowance is cancelled and the retiree becomes a member of the System as of the date of reinstatement. The retiree's individual account shall be credited with the actuarial equivalent of the retiree's annuity at the date of reinstatement, not to exceed the amount of accumulated contributions at the date of retirement. (G.C. section 21200)

DISABILITY RETIREMENT

1. The Board may require any member receiving a disability retirement allowance, under the minimum age for voluntary retirement for service, to undergo a medical examination. If the Board determines that such recipient is not incapacitated for duty, the agency shall be notified that such person is eligible for reinstatement to duty. The fact that the member was retired for disability does not prejudice any right to reinstatement to duty, which the member may claim. The member's disability retirement allowance will be canceled on the effective date of the employer's job offer (G.C. sections 21192 and 21193).
2. Any retiree may request approval from CalPERS to **reinstate**, whereby the retirement allowance is canceled and the member resumes active member status, including earning additional service credit towards his/her subsequent retirement.

To request approval, the member must:

- Complete Section 1 of the "Request for Reinstatement from Disability/Industrial Disability Retirement" form (PERS01 M0036 DMC) found in the "Reinstatement from Retirement" booklet (PERS-PUB-37);
- Provide a current job duty statement for the position; and
- Provide a current written report from his/her treating physician, specializing in the member's disabling condition that indicates the job duty statement was reviewed and the member was recently examined and is found able to fully perform the tasks of the job duty statement without limitation or restrictions.

If the member is requesting reinstatement into a different position than from which they retired, the prospective employer must complete Section 3 stating their intent to hire the member upon CalPERS approval. (G.C. sections 21192 and 21193)

3. A member retired for **industrial disability** may request approval from CalPERS to reinstate to a position which is classified as Miscellaneous.

To request approval, the member must:

- Complete Sections 1 and 2 of the "Request for Reinstatement from Disability/Industrial Disability Retirement" form (PERS01 M0036 DMC) found in the "Reinstatement from Retirement" booklet (PERS-PUB-37);
- Provide a current job duty statement for the position; and
- Provide a current written report from his/her treating physician, specializing in the member's disabling condition that indicates the job duty statement was reviewed and the member was recently examined and is found able to fully perform the tasks of the job duty statement without limitation or restrictions.

The prospective employer must:

- Complete Section 3 stating their intent to hire the member upon CalPERS approval (G.C. sections 21192 and 21193);
- Furnish a "Notice of Intent to Hire under Government Code section 21197" to the employer from which the member is currently retired.

Upon subsequent retirement, the member's allowance will be recalculated based on the highest final compensation period during employment using the same benefit formula for industrial disability and adding an annuity for the additional time worked after reinstatement. If the member is eligible for a service retirement after the miscellaneous employment, the member may receive whichever allowance is greater, but will retain the industrial disability retirement classification. (G.C. sections 21197 and 21200)

4. If the member whose disability retirement has been canceled does not re-enter CalPERS covered employment, an amount which is the actuarial equivalent of the member's annuity at cancellation shall be credited to the individual account, and shall be refunded unless the member is eligible to elect, and does elect, to allow his/her accumulated contributions to remain in the retirement fund. (G.C. section 21172)

BENEFICIARY DESIGNATION (AFTER RETIREMENT)

NOTIFICATION OF CHANGE

IN BENEFICIARY STATUS

It is important for a retired member to contact CalPERS to request a "Changing Your Beneficiary or Monthly Benefit After Retirement" booklet (PERS-PUB-98) when any one of the following qualifying events occurs because his or her designated beneficiary's entitlement to certain CalPERS benefits could be affected:

- Marriage or Registration of Domestic Partnership of the retired member.
- Legal separation, dissolution or annulment of the retiree marriage or termination of retired member's domestic partnership if initiated after the designation was filed.
- Birth or adoption of a child.

Should any one of these events occur, a retired member's existing beneficiary designation for the balance of Option 1 contributions, the lump sum death benefit, or the balance of Temporary Annuity payments are automatically revoked. Once the designation is revoked, lump sum benefits will be paid to the statutory beneficiaries in the following sequence:

1. To the retired member's spouse/ registered domestic partner, or if none;
2. To the retired member's natural or adopted children, share and share alike, or if none;
3. To the retired member's parents, share and share alike, or if none;
4. To the retired member's brothers and sisters, share and share alike, or if none;
5. To the retired member's estate, if probated. If the estate does not require probate, but there is a trust, benefits will be paid to the trust. If there is no trust, benefits will be paid to the surviving next of kin in the order prescribed by law.

A retired member may designate a new beneficiary by obtaining a "Changing Your Beneficiary or Monthly Benefit After Retirement" booklet (PERS-PUB-98), which includes a "Post Retirement Lump Sum Beneficiary Designation Form" (PERS-BSD-509-P) form, and by returning the completed form to CalPERS.

The publication is available on the CalPERS Web site at www.calpers.ca.gov or contact CalPERS at **888 CalPERS** (or 888-225-7377).

If the retired member wants his or her statutory beneficiary(ies) to receive the lump sum benefits payable, there is no need to file a PERS-BSD-509P. However, filing PERS-BSD-509P may help us locate the person(s) upon the retired member's death.

The retired member's spouse or domestic partner is required to sign the PERS-BSD-509P acknowledging the designation made by the member. If the retired member does not certify they have no spouse/partner or the document does not include the spouse's or partner's signature, a Justification for Absence of Spouse's Signature (PERS-BAS-800P), must be completed and submitted with their designation.

NOTE: A retired member's designation and benefit entitlement to any lump sum death benefit may be affected by any domestic relations court order, which awards a current or ex-spouse or partner a community property interest in the retired member's CalPERS retirement account.

For an explanation of the limited situations under which retired members may change their optional settlement and/or life beneficiary designation after retirement, please see the section entitled Changing Beneficiary Designations & Modifying an Option and/or Life Option Beneficiary or by reading the publication, "Changing Your Retirement Option or Life Option Beneficiary (PERS-PUB-98).

A survivor or beneficiary who is receiving an allowance following the death of the retired member may designate a beneficiary to receive any unpaid allowance by requesting and filing a Designation for Beneficiary's or Survivor's Prorated Allowance (PERS-BSD-509B) form with CalPERS' Benefit Services Division.

NOTE: If a retired member marries or enters into a registered domestic partnership, the new spouse/domestic partner is not automatically entitled to a monthly death benefit. A retired member would have to modify the Option and name a new beneficiary. A modification will cause a reduction in the retired member's allowance to provide an ongoing allowance with health and dental coverage to the new spouse or domestic partner. For more information, the retired member must read the "Changing Your Beneficiary or Monthly Benefit After Retirement" booklet (PERS-PUB-98). The publication is available on the CalPERS Web site at www.calpers.ca.gov or contact CalPERS at **888 CalPERS** (or **888 225-7377**).

QUALIFYING FOR POP-UP BENEFITS

If the retired member elected the Option 2 or 3 benefit on or after January 1, 1990, the retired member's allowance will increase to a higher allowance, if one of the following events occurs:

- The retired member's beneficiary dies.
- The retired member's Option 2 or Option 3 beneficiary is the retired member's spouse or registered domestic partner and they divorce, legally separate, or the marriage is annulled and they provide CalPERS with a copy of their judgment that awards the member the entire community property interest in their CalPERS benefits.
- The retired member's non-spouse/non-domestic partner beneficiary waives entitlement to the Option 2 or Option 3 benefit by filing a "Non-Spouse/Non-Domestic Partner Disclaimer of CalPERS Benefits" form that is provided by CalPERS.

If the retired member's retirement date is before January 1, 1990 and one of the three events listed above occurred less than 10 years following their retirement date, the retired member allowance may be increased to the actuarial equivalent of the Unmodified Allowance.

If the retired member's retirement date is before January 1, 1990 and one of the three events occurred more than 10 years following their retirement date, they are not entitled to an allowance increase. There is no pop-up increase if the retired member elected Option 2W or 3W (W = waived pop-up). If the retired member feels they are entitled to an increase, they should request the "Changing Your Beneficiary or Monthly Benefit After Retirement" booklet (PERS-PUB-98), which contains a "Request for Option 2 or 3 'Pop-Up' Increase" form (PERS-0M0015-DMC).

POP-UP EFFECTIVE DATE

Beneficiary Death

The retired member's allowance will increase to a higher allowance effective on the first of the month following the beneficiary's month of death.

Dissolution of Marriage, Termination of Domestic Partnership, Legal Separation, or Annulment

The retired member's allowance will be increased to a higher allowance effective the first of the month following our receipt of the judgment awarding them total interest in their CalPERS benefit.

Non-Spouse/Non-Domestic Partner Beneficiary Disclaimer

The retired member's beneficiary will be asked to sign a "Non-Spouse/Non-Domestic Partner Disclaimer of CalPERS Benefits" form, which will be provided by CalPERS upon request, which must be signed, notarized and approved by CalPERS.

The retired member's allowance will increase effective the first of the month following CalPERS' receipt of the properly completed and notarized "Non-Spouse/Non-Domestic Partner Disclaimer of CalPERS Benefits" form.

CHANGING BENEFICIARY DESIGNATIONS & MODIFYING AN OPTION AND/OR LIFE OPTION BENEFICIARY

A retired member who elected the Unmodified Allowance or Option 1 may change the beneficiary for the lump sum retired death benefit, the balance of Option 1 or balance of Temporary Annuity at any time.

A retired member can also modify their current retirement election and name a new beneficiary for a lifetime option allowance after a qualifying event (as described below), and provided their current lifetime option beneficiary is not a former or legally separated spouse/domestic partner who has a community property interest in their CalPERS retirement benefit.

Electing a modification of option reduces the retired member's current allowance. The amount of the retired member's allowance reduction depends upon the member's age and the age of their new beneficiary at the time of the election. Modifying a retired member's option is also referred to as a "recalculation of option."

QUALIFYING EVENTS

The following events allow the retired member to modify their allowance or retirement option and name a new beneficiary.

I. Death of Retirement Option Beneficiary

If the retired member elected:

A. Unmodified Allowance or Option 1

- The death of their beneficiary is not a qualifying event.

B. Option 2, 2W, 3, 3W or 4

- The retired member can modify their election of the option 2, 2W, 3, 3W or 4 to another option and name a new beneficiary.

II. Retired Member's Marriage or Entry into a Registered Domestic Partnership

If the retired member elected:

A. Unmodified Allowance

- The retired member can modify their election of the Unmodified Allowance to an Option 1, 2, 2W, 3, 3W or 4 and name their current spouse/domestic partner as beneficiary.

B. Option 1

- The retired member can modify their Option 1 to an Option 2, 2W, 3, 3W or 4 and name their current spouse/domestic partner as beneficiary.

C. Option 2, 2W, 3, 3W or 4

- If retired member has a former spouse/domestic partner and they are not the Option 2, 2W, 3, 3W or 4 beneficiary, they can modify their election to an Option 1, 2, 2W, 3, 3W or 4 and name their current spouse/domestic partner as beneficiary.

NOTE: If the retired member's former spouse or former domestic partner is the retired member's beneficiary, see the **Dissolution of Marriage, Legal Separation, or Annulment** section for information on their ability to modify their allowance or retirement option.

III. Dissolution of Marriage, Termination of Domestic Partnership, Legal Separation, or Annulment

If the retired member elected:

A. Unmodified Allowance and Option 1

- This is not a qualifying event.

B. Option 2, 2W, 3, 3W or 4

- If the retired member's former or legally separated spouse/domestic partner is the Option 2, 2W, 3, 3W or 4 beneficiary and the dissolution/termination or legal separation judgment on retired community property awards the member the entire interest in the CalPERS retirement, their beneficiary can be changed and they can modify the election to an Option 1, 2, 2W, 3, 3W or 4 and name a new beneficiary.

NOTE: If the retired member's former or legally separated spouse or domestic partner is their Option 2, 2W, 3, 3W or 4 beneficiary and the dissolution/termination or legal separation judgment dividing the community property does not award the retired member the entire interest in their CalPERS retirement, the retired member's former or legally separated spouse or domestic partner cannot be removed as beneficiary.

IV. Non-Spouse/Non-Domestic Partner Beneficiary Disclaims Lifetime Allowance

If the retired member elected:

- A. Unmodified Allowance or Option 1, 2, 2W, 3, 3W or 4
- Regardless of what option the retired member chooses, a non-spouse/ non-domestic partner beneficiary disclaimer is not a qualifying event for a modification of option. This simply means the non-spouse/non-domestic partner beneficiary relinquished their entitlement to CalPERS benefits.

If a retired member wishes to change their option and/or name a new beneficiary for lifetime option allowance, the retired member should request the publication, "Changing Your Beneficiary or Monthly Benefit After Retirement" (PERS-PUB-98), which contains an "Application to Modify Option and/or Life Option Beneficiary" form (PERS01 M0014 DMC). The publication is available on the CalPERS Web site at www.calpers.ca.gov or contact CalPERS at **888 CalPERS** (or 888-225-7377).

Effective Date for Changing an Option

If the retired member made an election to change their option within 12 months of the qualifying event, the effective date is the first of the month following CalPERS' receipt of their completed election document. Both the retired member and their new beneficiary must be alive on the effective date.

If the retired member makes an election to modify their option more than 12 months after the qualifying event, the modification will not become effective until 12 months after the election is made. Both the retired member and their new beneficiary must be alive on the deferred election effective date.

Insurance Coverage for a New Spouse/Registered Domestic Partner

When a retired member considers a modification of retirement option, they need to remember that continuation of health or dental insurance coverage of a new spouse/partner depends on their being enrolled as a dependent on the retired member's plan at the time of the member's death and the retired member made an election of option that provides the new spouse/domestic partner with a monthly benefit.

If a retired member has CalPERS health insurance, they must immediately notify CalPERS if they divorce, terminate a domestic partnership or suffer the death of a spouse, domestic partner or other dependent. Failure to make a timely notification may result in incorrect premium deductions from the retired member's monthly allowance.

DEATH OF A RETIREE

If you become aware of the death of a retiree, please contact CalPERS with the name, birth date, Social Security number, and date of death of the deceased, as well as the names, relationships, and addresses of the next of kin. A written or telephone communication detailing this information is acceptable for death notification provided an official of the agency gives it. **The form PERS-BSD-738 SHOULD NOT be submitted for a retired person's death.**

INFORMATION FOR FAMILY OF DECEASED

When a CalPERS retiree dies, there are several important steps a spouse/domestic partner or family member can take to help assure prompt payment of any benefits payable by CalPERS.

The first step is to notify CalPERS at **888 CalPERS** (or **888-225-7377**) or by letter at P.O. Box 1652, Sacramento, CA, 95812-1652. We will need the following information:

1. Name and Social Security number of deceased retiree.
2. The date of death.
3. Name, address, and telephone number of person providing notice of death.
4. Name, address, and telephone number of surviving spouse/domestic partner, other next of kin, or the person whom will be settling the estate.
5. If applicable, Social Security number of surviving spouse or registered domestic partner.
6. Date of birth of surviving spouse or registered domestic partner.
7. Date of marriage or registration of domestic partnership.
8. Whether or not surviving spouse/domestic partner is able to handle his/her own financial affairs.

The second step is to accumulate documentation. The System will ask for:

1. A photocopy of the certified death certificate.
2. The name, address and phone number of the person handling the estate if the member's estate requires probate. Letters of administration must be submitted by the executor of the estate before benefits can be paid to the estate.
3. Other documents which are not included in the member file such as marriage certificates or birth certificates.

The third step is completing the "Application for Retired Member/Payee Survivor Benefits" form that is sent by CalPERS. This form is used to determine whether any event has occurred to invalidate the beneficiary designation or to identify persons who might be beneficiaries by law. It is a formal application to receive payment of death or survivor benefits determined payable by CalPERS. The person completing this form is certifying that he/she is the person identified therein. This form should be completed in full and returned to CalPERS with the other documentation, (death certificate, marriage certificate, newspaper clipping, etc.) as quickly as possible. Enclosed with the "Application for Retired Member/Payee Survivor Benefits" form will be a "Tax Withholding Election for Survivor Benefits" form so an election may be made for Federal and State Tax withholding.

HEALTH INSURANCE

If the beneficiary or survivor is entitled to a monthly benefit and continued coverage under the Public Employees' Medical and Hospital Care Act, as administered by CalPERS, the coverage will be continued automatically. A "Health Benefits Plan Enrollment Form" (HBD-12) is completed by CalPERS and a copy will be sent to the beneficiary or survivor.

WARRANTS ISSUED AFTER RETIREE'S DEATH

All checks or retirement warrants issued (dated) after the retiree's death should be promptly returned to the System.* If warrants have been mailed to a bank for direct deposit to the retiree's account, CalPERS will contact the bank directly to request repayment of warrants issued after the retiree's death. Any allowance accrued but unpaid prior to the retiree's death will be paid to the eligible beneficiary.

- * Unless the CalPERS representative specifically tells the surviving spouse/domestic partner the payments do not need to be returned.

COMPLETING THE TAX WITHHOLDING ELECTION FOR DEATH BENEFITS

MONTHLY AND/OR PRORATED PAYMENT INCLUDING ANY ALLOWANCE ADJUSTMENTS

The allowance is treated as payroll wages.

Federal income tax will be withheld based on the rate of a married person claiming three exemptions **unless** the beneficiary or survivor elects no withholding, elects a flat amount withheld, or elects a different marital status or number of exemptions. If no election is submitted and the rate of married with three exemptions is used, no federal tax will be withheld if the gross monthly payment is less than the IRS minimum level.

If the beneficiary or survivor is a resident of the State of California, State income tax will also be withheld based on the rate of a married person claiming three exemptions **unless** they elect no withholding, elect a flat amount withheld, or elect a different marital status or number of exemptions. For California residents, if no election for State withholding is submitted and the rate of married with three exemptions is used, no taxes will be withheld if the gross monthly payment is less than the Franchise Tax Board minimum level.

OPTION ONE, TEMPORARY ANNUITY PAYMENTS AND RETIRED DEATH BENEFIT

If the benefit is payable to a spouse (or ex-spouse awarded a community property interest), death benefits may be non-taxable, partially taxable, or fully taxable. Any taxable portion of the benefit will be subject to **20 percent** federal withholding unless

rolled over into an IRA. The non-taxable portion of the distribution is not eligible for rollover.

It will be paid with no taxes deducted and will be reported to the tax authorities as a non-taxable benefit. Special tax rules apply to eligible rollover distributions. The spouse should consult a tax advisor before making a tax election for these benefits.

If someone **other** than the member's spouse or ex-spouse is a beneficiary of all or a portion of an Option One, Temporary Annuity balance, or Retired Death Benefit, the taxable portion of the benefit will be subject to 20 percent federal withholding unless rolled over into an "inherited" type IRA. The non-taxable portion of the distribution is not eligible for rollover. It will be paid with no taxes deducted and will be reported to the tax authorities as a non-taxable benefit. Special tax rules apply to eligible rollover distributions. The non-spouse beneficiary should consult a tax advisor before making a tax election for these benefits.

If the beneficiary lives in California, CalPERS will automatically withhold **3 percent of the taxable portion of the payment** for State taxes. If they do NOT wish to have State tax withheld from an Option One, Temporary Annuity or retired death benefit payment, they must submit a PERS-BSD-281 form with the appropriate box checked.

TAX AND INCOME REPORTING INFORMATION

STATEMENT OF BENEFITS PAID AND WITHHOLDING

Every January, CalPERS provides each beneficiary with a statement showing the gross amount(s) of benefits paid during the previous calendar year and the amount of income tax withheld, if any. Most payments made by CalPERS are reported to the IRS and Franchise Tax Board. Questions about the taxability of CalPERS benefits should be directed to the IRS, the California Franchise Tax Board, or a tax advisor.

TAXPAYER IDENTIFICATION NUMBER

Section 6109 of the IRS Code requires recipients of reportable payments to furnish Taxpayer Identification Numbers (TINs). The Social Security number (or Employer ID number, if a trust or organization) **must** be furnished to CalPERS, even if the beneficiary is not required to file a tax return.

NOTICE OF POSSIBLE PENALTIES

If the beneficiary elects **not** to have federal tax and/or California State tax withheld, or not enough federal or California State tax withheld, the beneficiary may be responsible for payment of estimated tax. The beneficiary may also incur penalties under the estimated tax rules if withholding and estimated tax payments are not sufficient. IRS Publication 505, "Tax Withholding and Estimated Tax," provides additional information.

CHANGING A TAX WITHHOLDING ELECTION

Once a tax withholding election for a monthly benefit is filed, it will remain in effect until another election is filed revoking the original by completing a W-4P form for Federal and DE-4P form for State and submitting it to CalPERS. These forms can be obtained by contacting CalPERS.

REFUND OF MEMBER CONTRIBUTIONS

Please refer to the “Civil Service/CSU Membership” section for information regarding a refund of the member contributions